

AGRESERVES LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2004**



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INDEPENDENT AUDITORS' REPORT TO AGRESERVES LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of AgReserves Limited for the year ended 31 December 2004 set out on pages 2 to 6, together with the financial statements of the company for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with s.247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Martin and Acock

Martin & Acock
Chartered Accountants
Registered Auditors

2 The Close
Norwich
Norfolk
NR1 4DJ

14 September 2005

AGRESERVES LIMITED

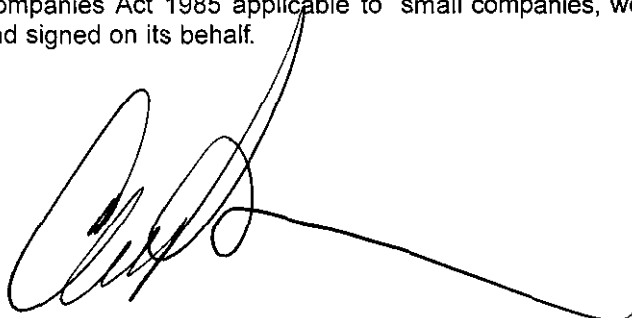
ABBREVIATED BALANCE SHEET
As at 31 December 2004

	Note	2004	2003
		£	£
FIXED ASSETS			
Tangible fixed assets	2	2,766,957	907,190
Investments	3	6,928,674	6,928,674
		<u>9,695,631</u>	<u>7,835,864</u>
CURRENT ASSETS			
Stocks		2,157,749	1,468,402
Debtors		1,732,909	2,711,980
Cash at bank and in hand		1,227,689	546
		<u>5,118,347</u>	<u>4,180,928</u>
CREDITORS: amounts falling due within one year	4	<u>(5,583,905)</u>	<u>(2,786,720)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(465,558)</u>	<u>1,394,208</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,230,073</u>	<u>9,230,072</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation		(42,957)	-
NET ASSETS		<u>£ 9,187,116</u>	<u>£ 9,230,072</u>
CAPITAL AND RESERVES			
Called up share capital	5	4,100,000	4,100,000
Capital redemption reserve		5,350,000	5,350,000
Profit and loss account		(262,884)	(219,928)
SHAREHOLDERS' FUNDS		<u>£ 9,187,116</u>	<u>£ 9,230,072</u>

AGRESERVES LIMITED

ABBREVIATED BALANCE SHEET
As at 31 December 2004

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 14 September 2005 and signed on its behalf.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a long horizontal line extending to the right.

Director

The notes on pages 4 to 6 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Farm building improvements and drainage	-	Straight Line over 5 to 20 years
Plant and equipment	-	Straight Line over 5 to 10 years
Motor vehicles	-	Straight Line over 3 to 10 years
Fixtures, fittings, tools and equipment	-	straight line

1.5 Area aid income

Area aid income is recognised in the profit and loss account when the underlying crops are sold. Set aside income is recognised on a receipts basis.

AGRESERVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2004

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2004	1,926,568
Additions	909,506
Transfers intra group	3,598,993
Disposals	(662,618)
	<u>5,772,449</u>
At 31 December 2004	<u>5,772,449</u>
Depreciation	
At 1 January 2004	1,019,378
Charge for the year	640,285
Transfers intra group	1,830,693
On disposals	(484,864)
	<u>3,005,492</u>
At 31 December 2004	<u>3,005,492</u>
Net book value	
At 31 December 2004	<u>£ 2,766,957</u>
At 31 December 2003	<u>£ 907,190</u>

3. FIXED ASSET INVESTMENTS

	£
Cost	
At 1 January 2004 and 31 December 2004	<u>£ 6,928,674</u>

Subsidiary undertakings

The following was a subsidiary undertakings of the company:

Hallsworth (Farmland Trust) Limited	100%
Farmspeed (Southery Anchor) Limited	100%

The aggregate of the share capital and reserves as at 31 December 2004 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Hallsworth (Farmland Trust) Limited	3,566,985	160,057
Farmspeed (Southery Anchor) Limited	2,299,071	-
	<u>5,866,056</u>	<u>160,057</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2004

3. FIXED ASSET INVESTMENTS (continued)

Listed investments

The market value of the listed investments at 31 December 2004 was £13,377 (2003 - £14,595) .

4. CREDITORS

A composite guarantee dated 27 March 1998 is in place for indebtedness between AgReserves Limited and its two subsidiary companies, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited.

5. SHARE CAPITAL

	2004 £	2003 £
Authorised		
10,000,000 Ordinary shares of £1 each	£10,000,000	£10,000,000
Allotted, called up and fully paid		
4,100,000 Ordinary shares of £1 each	£ 4,100,000	£ 4,100,000

6. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate joint parent undertakings are the Corporation of the President of the Church of Jesus Christ of the Latter-Day Saints and the Corporation of the Presiding Bishopric, both corporations incorporated in the State of Utah.